



ADM Agro Industries India Private Limited
CIN : U01403MH2009PTC291309
Vatika Professional Point, 3rd Floor, Golf Course
Extension Road, Sector-66, Gurgaon-122018,
Haryana, India
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Website – www.adm.com

CORPORATE SOCIAL RESPONSIBILITY POLICY - ADM AGRO INDUSTRIES INDIA PVT. LTD.			
DATE ISSUED	DOCUMENT# CSR-1 (ADMI)	VERSION 2	PAGES 12

1. POLICY STATEMENT

This policy provides guidance on the protocols to be followed for all expenditures to be incurred (including expenditure by way of contribution) in India towards the social, economic and environmental development of the communities where ADM operates its business, as a responsible corporate citizen.

2. PURPOSE, APPLICABILITY AND IMPLEMENTATION DATE

2.1 Purpose

This policy describes the standards for granting, managing and tracking expenditures towards Corporate Social Responsibility Program of ADMI. It has been established to decide upon CSR projects or programs within the purview of the (*Indian*) Companies Act 2013 (“**Act**”) read with the Companies (Corporate Social Responsibility) Rules, 2014 (“**CSR Rules**”) including any re-enactment, modifications or amendments thereof, specify the modalities of execution of CSR Programs, guiding principles for selection, implementation and monitoring of CSR programs as well as formulation of the annual action plan and to ensure a systematic review and implementation of all contributions funded within the CSR Programs.

In addition to the compliance of the Act and CSR Rules, the CSR Policy will be subject to compliance with the global ADM Policies namely ADM Cares Contribution Policy, ADM Sponsorships Policy, ADM Anti - Corruption Policy and ADM’s Code of Conduct, as well as all applicable laws and regulations governing ADM’s business in India.

2.2 Applicability

This policy applies to ADM Agro Industries India Private Limited (“**ADMI**”).

NOTE:

Before seeking approval for incurring any expenditures towards CSR activities as outlined in the following pages, ADMI employees are advised to ensure that the expenditure does not in any way conflict with the terms of the ADM Anti-Corruption Policy and other ADM global policies as applicable to ADMI.



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2.3 Implementation date

The policy applies to all expenditures that may be incurred in relation to CSR activities on or after **April 1, 2015**.

3. DEFINITIONS

- a) “Act” means the Companies Act, 2013;
- b) “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c) “ADM” means Archer Daniels Midland Company (the ultimate holding company of ADMI);
- d) “ADMI” means ADM Agro Industries India Private Limited;
- e) “Corporate Social Responsibility or CSR Activities” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in rules made thereunder, but shall not include the following, namely:-
 - i. activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - a. such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - b. details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
 - ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);



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- v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- f) “CSR Committee” mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director, if mandated;
- g) “CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- h) “CSR Rules” means the Companies (Corporate Social Responsibility) Rules 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 including any re-enactment, modifications or amendments thereof;
- i) ‘Net Profit’ means net profit as defined in Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility) Rules, 2014 defines Net Profit as set out below:

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
 - i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- j) “Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- k) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005;
- l) Words and expressions used in this CSR policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.



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4. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company will spend the amount so allocated as CSR expenditure on projects or programs or activities (either new or ongoing) carrying out any one or more of the following activities:

- (i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- (viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE);

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Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects.

(xi) slum area development;

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities;

(xiii) any expenditure made from CSR funds for COVID-19 related activities for various activities related to COVID-19 specified under Schedule VII relating to promotion of health care, including prevention of health care and sanitization and disaster management.

(xiv) Such other activity as may be prescribed by the Central Government from time to time

The above CSR activities are illustrative and are not exhaustive. Further programs and / or activities can be identified through review, evaluation and assessment by the CSR Committee from time to time.

These CSR activities would specifically exclude activities undertaken in pursuance of its normal course of business.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

5.1 Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR Committee shall be appointed by the Board of Directors of the Company which must consist of atleast three or more Directors.

5.2 Powers & Responsibilities of the Committee

Following are the Powers of the CSR Committee:

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- a) Formulate and update CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- b) Formulate and recommend to the Board, an annual action plan pursuant to the CSR Policy and alterations thereof.
- c) Recommend to the Board of Directors of the Company CSR activities as stated under Schedule VII of the Act.
- d) Recommend the CSR Budget.
- e) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- f) Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
- g) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- h) Monitor CSR Policy from time to time.
- i) Authorize executives of the Company to attend the CSR Committee Meetings.

5.3 Frequency of the Meetings of the CSR Committee

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

5.4 Quorum

The quorum for a meeting of the Committee on CSR shall be all members of the committee, or two members, whichever is lower.

6. GUIDING PRINCIPLES FOR PROJECT SELECTION AND IMPLEMENTATION

a) Relevance

Projects should be need-based, keeping local issues into consideration

b) Outcomes-orientation

Projects will be designed with clear objectives, planned outcomes and a suitable monitoring and reporting framework. All projects will be periodically reviewed for course correction, wherever necessary.

c) Sustainability

- Projects should be designed for creating a *long-term impact*. An incremental expansion approach may be deployed if required. They should incorporate multiplier effects. Projects should ideally be replicable for subsequent coverage in other regions.
- Implementation partners should be carefully selected after due assessment of their local credibility, local knowledge, domain expertise, local institutional relationships and their approach to sustainability.



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- Provisions of community participation should be built-in. Community ownership and co-financing wherever required may be introduced in a progressive manner in suitable time frames necessary for communities to accept and adopt the initiatives. This will create understanding among communities on expectations, risks, roles and responsibilities.
- There should be due consideration of any material risk factors before selecting, initiating and during implementation of projects. These risks should be duly mitigated and managed on a regular basis.

7. CSR INITIATIVES

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Action Plan, as recommended by the CSR Committee at the beginning of each Financial Year (beginning with the Financial Year 2021-22). The Committee is authorized to approve any modification to the existing Annual CSR Action Plan or to propose any new program during the Financial Year under review.

7.1 Annual CSR Action Plan

The Annual CSR Action Plan is a plan of CSR activities for the Financial Year that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

- Tailor-made CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
- Partnering agencies/companies/firms or other implementing agencies
- Manner of execution of such projects or programmes
- Process Owners
- Project Proposals
- Targeted Beneficiaries & their key needs
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections
- Modalities of utilisation of funds and implementation schedules for the projects or programmes
- Monitoring and reporting mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- details of need and impact assessment, if any, for the projects undertaken by the Company
- Any other information as may be required by the CSR Committee

However, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.



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7.2 Collaboration

The CSR programs and / or activities so selected / identified may be carried out by the Company through its officials, employees, representatives, any relevant forum / platform / organization etc as may be decided by the CSR committee.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR;

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR rules;

The company can implement its CSR activity itself or through:

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c. any entity established under an Act of Parliament or a State legislature; or
- d. company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

7.3 Monitoring Process

The Company's Board of Directors shall be responsible for the monitoring of activities of the company as for review of CSR policy and the implementation of the same in the due course of time.

1. The CSR expenditure and action plan shall be bound for review at the discretion of the Board of Directors of the Company.
2. Cost benefit and justification includes the amount of financial involvement, detailed project report carried out by the third parties or external agencies.
3. The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
4. Identify and approve any CSR project as “Ongoing Project” if it is a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 years excluding the financial year in which it was commenced. If the project is initially not approved as a multi-year project,



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it can still be considered as Ongoing Project if duration of the Project has been extended beyond one year by the Board based on reasonable justification.

5. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
6. The CSR expenditure made by the company shall be annexed to the Director's report by way of an annual report on CSR containing particulars specified and the explained in Annexure I or Annexure II, as applicable, of CSR Rules.
7. Impact assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

7.4 Reports

The CSR expenditure made by the company shall be annexed to the Director's report by way of an annual report on CSR containing particulars specified and the explained in Annexure I or Annexure II, as applicable, of CSR Rules and the same shall be displayed on the Company's website, if any.

Further, Impact Assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

8. CSR BUDGET/CSR SPEND

The Act mandates companies meeting the qualification criteria to allocate certain portion of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

8.1 Funding of the CSR Activities:

The Identified CSR Projects under this policy shall be funded by the Company out of the net profits of the Company in any financial year. Notwithstanding anything contained in this CSR Policy, the total amount spent on the CSR activities during any financial year shall not be less than 2% of the average net profits of the respective Company made during the three immediately preceding financial years.

However, in the event of losses, as per the computation aforesaid, the Company shall use its discretion for spending on the CSR activities, but shall not be under any statutory obligation to spend money towards CSR activities or programs.

CSR Committee will oversee the budget management of the CSR Activities to be undertaken by the Company and ensure that the payments are being made towards the identified CSR Activities in timely and efficient manner.



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8.2 CSR Expenditure:

Net profit means profit more fully described under Rule 2(h) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

The company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be a part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

8.3 Excess Expenditure

Where the company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that:

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- (ii) the Board of the company shall pass a resolution to that effect.

8.4 Expenditure on CSR administration

The administrative overheads incurred for general management and administration of Corporate Social Responsibility functions in the company shall not exceed five percent of total CSR expenditure of the company for the Financial Year.

8.5 Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the reasons for such unspent amount shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

Further, any amount remaining unspent under the obligation as aforementioned pursuant to any ongoing project, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a



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period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year;

Further, any amount remaining unspent under the obligation as aforementioned pursuant to other than any ongoing project referred in point above, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year;

The CSR projects or programs or activities undertaken only in India would amount to CSR Expenditure;

However, if the ADMI ceases to be covered under sub-section (1) of Section 135 of the Act for three consecutive financial years, then it shall not be required to constitute a CSR Committee and comply with the provisions laid down under sub-section (2) to (6) of the said section, till such time it meets the criteria specified in sub-section (1) of the Section 135 of the Act.

9. STANDARDS AND REQUIREMENTS FOR THE EXECUTION OF CSR ACTIVITIES

9.1 Requirements covering all expenditures:

All expenditures towards CSR Activities shall only be allowed after recommendation of CSR Committee and approval from the Board of Directors of the Company.

All expenditures must be transparent, and their function must be clear, plausible and documented. No contributions may be made to individuals or private accounts.

No contributions may be made to organizations whose missions or objectives are incompatible with The ADM Code of Conduct, the ADM Way, or whose association with ADMI could damage the company's reputation.

9.2 Process for initiating a request:

All proposals for CSR Activities must be submitted to the CSR Committee with complete details of the CSR projects or programs. Each such proposal shall be reviewed by the CSR Committee and if suitable, shall be recommended to the Board of Directors of the Company for its approval.

10. POLICY REVIEW & FUTURE AMENDMENT

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Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.



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CONSTITUTION OF CSR COMMITTEE

<u>S. No.</u>	<u>Name of the Member</u>	<u>Designation</u>
1	Amrendra Mishra	Chairman
2	Mr. Kshirodh Aggarwal	Members
3	Mr. Animesh Ballabh	Members